



**AFRICAN-AMERICAN AFFAIRS COMMISSION  
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**Housing Committee**

**Thursday, February 19<sup>TH</sup>, 2009**

**1:00 PM in Room 1C**

Good morning/afternoon Senator Gomes, Representative Green and ranking members of the Housing Committee, My name is Frank Sykes and I serve as the Legislative Analyst with the African-American Affairs Commission (AAAC), a non-partisan state agency committed to advocating on behalf of the African-American community in the state, through policy analysis, research and advocacy. The Commission speaks in support of the following bills:

**SB 867 – An act concerning state assistance for preservation of the state housing portfolio**

**And**

**HB 5071 – An act concerning the supportive housing initiative**

**HB 6144 – An act concerning a moratorium on mortgage foreclosure**

Firstly in reference to **SB 867**, the Commission recognizes efforts made on the state level to address the need for additional affordable housing. The establishment of a housing trust fund and other initiatives are certainly laudable,

however as some of us here are aware an ailing economy continues to strain family budgets. A household living in severely unaffordable housing is paying more than 50 percent of its income on housing. In a 2005 study, 157 towns were identified as unaffordable based on the median income of that town needed to qualify for a mortgage.<sup>1</sup> Even though the median income for African-Americans in the state has increased from \$35,104<sup>2</sup> to \$41,648, the income gap between white households and African-American households has widened even further and as a group African-American homeownership rates in the state continue to lag. Based on the most recent available data African-American homeownership rates are at roughly 38 percent.<sup>3</sup> Many of these families affected have been forced to make tough choices between making a mortgage payment or paying off other important household expenses. Some families are living in overcrowding conditions.

The Commission is equally supportive of **HB 5107** concerning the Beyond Shelter. This program needs to be funded adequately. It has been the driving force in assisting the state's homeless population most of who have been diagnosed with substance abuse problems and face other obstacles in life. An estimated 33,000 people in Connecticut experience homelessness annually of which 13,000 are children.<sup>4</sup> African-Americans as a group make up the highest number of homeless at 38 percent.<sup>5</sup> Without supportive housing many individuals will not be able to move out of poverty. The Beyond Shelter Program is an innovative program that prevents recurrence of homelessness in the state and we urge your full support.

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<sup>1</sup> [www.ctpartnershiphousing.com](http://www.ctpartnershiphousing.com), *Connecticut Home Prices: 157 of 169 Towns Unaffordable For Many*

<sup>2</sup> U.S. Census Bureau, 2006 American Community Survey, Median income by race and ethnicity

<sup>3</sup> U.S. Census Bureau, *Homeownership Rates by Race and Ethnicity*

<sup>4</sup> Connecticut Coalition to End Homelessness, *How Many People Are Homeless in Connecticut*

<sup>5</sup> Connecticut Coalition to End Homelessness, *Homelessness by Race and Ethnicity*

Finally in reference to **HB 6144**, last year the Commission supported a bill aimed at preventing foreclosures and responsible lending. It's quite obvious that the rate of foreclosures is likely to increase as loans rates reset and the unemployment rate worsens. There are many families that need legal assistance, to avoid of foreclosure proceedings altogether, unfortunately such assistance is limited. This bill will hold off foreclosure proceedings while homeowners obtain the legal assistance they need. There is no doubt that this sub prime crisis is affecting everyone regardless of race, income or social class. However it is clear that the vast majority of sub-prime lending occurs in communities of color and it's in the sub-prime market that predatory lending occurs. Therefore there are likely to be more foreclosures in this population segment.

I thank you for the opportunity to testify.